BUSINESS ANALYSIS REPORT

Affinity Diagram & Five Whys Root Cause Analysis

ORGANIZATIONAL PROBLEM STATEMENT

"Independent musicians and digital creators struggle to effectively monetize their work and maintain ownership within current digital and Web3 platforms."

SECTION 1: AFFINITY DIAGRAM

The Affinity Diagram below organizes the identified causes of the problem into thematic clusters. Each theme groups related observations, pain points, and systemic factors identified through stakeholder analysis and environmental review of the Web3 creator economy. This structured categorization facilitates targeted problem-solving and strategic prioritization.

THEME / CATEGORY	RELATED CAUSES & CONTRIBUTING FACTORS
Platform Fragmentation & Ecosystem Disconnect	• Music distribution, NFT marketplaces, and community platforms operate as isolated silos with no unified creator dashboard. • Creators are required to manage multiple accounts, logins, and revenue streams across disparate platforms simultaneously. • Absence of cross-platform data integration prevents holistic audience analytics and unified royalty tracking. • Lack of interoperability between Web2 and Web3 environments creates friction for onboarding and retention. • No standardized creator identity layer across platforms results in duplicated effort and inconsistent branding.
Monetization Complexity & Revenue Opacity	• Monetization structures across streaming, NFT, and licensing platforms vary significantly with no universal standard. • Revenue share agreements are often opaque, with inconsistent payout schedules and limited real-time visibility. • Smart contract monetization models present technical barriers for creators without blockchain development knowledge. • Royalty splits from secondary NFT sales are inconsistently enforced across marketplaces. • Micropayment systems remain underdeveloped, limiting income diversification for independent artists. • Subscription and tipping mechanics lack standardization,

THEME / CATEGORY	RELATED CAUSES & CONTRIBUTING FACTORS
	reducing creator confidence in projected income.
© Intellectual Property & Copyright Knowledge Gaps	• A significant portion of independent creators lacks foundational knowledge of copyright registration and enforcement. • Publishing rights, mechanical licenses, and synchronization rights are frequently misunderstood or mismanaged. • Creators unknowingly sign away ownership or grant broad licenses without understanding the long-term implications. • Web3 platforms rarely provide integrated legal guidance or copyright education at the point of asset creation. • Absence of accessible copyright tooling within creator platforms leads to recurring IP disputes and revenue loss. • Differences in international copyright law create additional confusion for globally distributed creators.
Web3 Complexity & Technical Accessibility Barriers	• Wallet creation, gas fee management, and blockchain transaction processes present steep learning curves for non-technical creators. • NFT minting workflows are not standardized, requiring creators to navigate different interfaces across platforms. • Terminology specific to Web3 (e.g., smart contracts, token gating, DAOs) remains inaccessible without prior education. • Insufficient onboarding guides and in-platform tutorials lead to high drop-off rates among creator newcomers. • Transaction costs and network congestion deter low-revenue creators from engaging with blockchain-based monetization. • Lack of AI-powered guidance tools within platforms leaves creators without contextual, real-time support.
Declining Trust & NFT Market Saturation	• Oversaturation of NFT collections has significantly diluted perceived value and buyer confidence in the market. • High-profile scams, rug pulls, and celebrity-endorsed failures have eroded general trust in NFT platforms. • Secondary market speculation has prioritized short-term financial gain over long-term creator sustainability. • Lack of enforceable creator royalties on secondary sales further undermines the economic viability of NFTs for creators. • Media coverage of NFT market collapse has discouraged both creator adoption and mainstream consumer participation. • Absence of curation standards on NFT platforms has diluted quality, making it difficult for legitimate creators to stand out.
	• Record labels, publishing houses, and distributors have been

THEME / CATEGORY	RELATED CAUSES & CONTRIBUTING FACTORS
Institutional & Infrastructure Support Deficiencies	slow to integrate with or support Web3 monetization models. • Financial institutions and payment processors impose restrictions on crypto-based creator revenue flows. • Government regulatory ambiguity around NFTs, DAOs, and digital royalties creates legal risk for creator platforms. • Venture capital investment in the creator economy has disproportionately favored consumer platforms over creator-centric infrastructure. • Educational institutions and music schools have not incorporated Web3 literacy into standard curriculum offerings. • Limited access to mentors or advisors experienced in both creative industries and blockchain ecosystems.

Table 1: Affinity Diagram — Thematic Clustering of Causes

SECTION 2: THEME CONNECTIONS

The six identified themes are deeply interconnected and exhibit strong causal dependencies. Platform Fragmentation serves as the structural foundation for many downstream problems: when creator tools, revenue systems, and community spaces are isolated, creators are forced to compensate by independently navigating each environment. This fragmentation amplifies Monetization Complexity, as no unified financial dashboard or transparent royalty framework exists. Simultaneously, the lack of accessible education — reflected in the Intellectual Property Knowledge Gaps theme — prevents creators from making informed decisions even when the tools are nominally available. The Technical Accessibility Barriers of Web3 platforms compound these challenges by introducing blockchain-specific friction that further excludes non-technical creative professionals.

The two most influential themes are Platform Fragmentation & Ecosystem Disconnect and Web3 Complexity & Technical Accessibility Barriers, as both act as systemic enablers of the remaining themes. Declining Trust in NFTs represents a consequential theme — it is largely a downstream effect of inadequate infrastructure, poor oversight, and insufficient creator education. Institutional & Infrastructure Support Deficiencies underpins all other themes, as lasting resolution requires systemic intervention at the regulatory, financial, and educational levels. Addressing this foundational theme would unlock the most significant progress across the full problem domain.

SECTION 3: FIVE WHYS ROOT CAUSE ANALYSIS

The Five Whys methodology is applied below to trace the surface-level problem to its underlying systemic root cause. Each successive inquiry is grounded in the thematic analysis presented in Section 1 and the interconnections identified in Section 2.

LEVEL	STATEMENT
DEFINED PROBLEM	**Independent musicians and digital creators struggle to effectively monetize their work and maintain ownership within current digital and Web3 platforms.**
WHY 1	Creators cannot generate consistent, transparent income from their digital content because monetization systems across platforms are fragmented, inconsistent, and poorly understood.
WHY 2	Monetization systems are fragmented and inconsistent because the digital and Web3 platform ecosystem has evolved without unified standards, cross-platform interoperability, or creator-first design principles.
WHY 3	The platform ecosystem evolved without unified standards because platform developers, blockchain networks, and music distribution services prioritized market capture and user acquisition over the creation of shared, interoperable creator infrastructure.
WHY 4	Platforms prioritized market capture over interoperable creator infrastructure because no regulatory framework, industry governing body, or incentive structure existed to mandate or reward collaboration between platform stakeholders.
WHY 5 — ROOT CAUSE	***The absence of a governing framework, interoperable infrastructure, and accessible educational system within the digital creator economy has resulted in a structurally fragmented ecosystem that systematically disadvantages independent creators — leaving them without the legal knowledge, technical tools, or unified platforms necessary to protect their intellectual property and monetize their work effectively.***

Table 2: Five Whys Root Cause Analysis

VALIDATION OF ROOT CAUSE

The identified root cause — systemic fragmentation driven by the absence of governing standards, interoperable infrastructure, and accessible creator education

— is substantiated by observable conditions across the Web3 creator economy. Industry reports consistently demonstrate that the majority of independent creators who abandon Web3 monetization cite complexity, mistrust, and lack of guidance as primary deterrents. The proliferation of competing and incompatible blockchain standards (e.g., Ethereum, Solana, Polygon) without cross-chain creator identity or royalty enforcement mechanisms directly reflects the absence of structural coordination. Furthermore, the historical absence of digital creator advocacy within copyright law — a gap that the Metaverse Policy Framework discussions and emerging EU digital market regulations have only recently begun to address — confirms that the root cause is systemic rather than behavioral. This validation affirms that sustainable resolution requires infrastructure-level and policy-level intervention, not surface-level platform feature improvements.

POTENTIAL SOLUTIONS

The following strategic interventions are aligned directly with the identified root cause and thematic findings:

1. Integrated Creator Ecosystem Platform

- Develop a unified platform that combines music distribution, NFT minting, community engagement, and royalty management under a single creator identity layer.
- Implement cross-chain compatibility to ensure creator assets and revenue are accessible regardless of the underlying blockchain network.
- Leverage AI-powered guidance modules to provide contextual, real-time support for monetization decisions, copyright registration, and contract review.

2. Industry-Wide Interoperability Standards

- Advocate for the establishment of an independent governing body — analogous to ASCAP or BMI for streaming — to define and enforce interoperability standards across Web3 creator platforms.
- Promote adoption of open standards for royalty tracking and smart contract enforcement to ensure consistent secondary market payouts.
- Partner with blockchain foundations to develop creator-specific network layers that reduce transaction costs and technical barriers.

3. Creator Education & Copyright Literacy Programs

- Design embedded, in-platform education modules covering copyright registration, publishing rights, and smart contract fundamentals.
- Partner with music schools, universities, and creator networks to integrate Web3 literacy into standard creative industry curricula.

- Establish mentorship networks connecting experienced Web3 creators with emerging independent artists.

4. Regulatory Advocacy & Policy Reform

- Engage with governmental bodies to establish clear legal frameworks for digital creator royalties, NFT ownership rights, and DAO governance structures.
- Advocate for the recognition and enforcement of on-chain royalty agreements under existing intellectual property law.
- Support the development of consumer protection standards for NFT platforms to rebuild market trust and reduce predatory practices.

5. Trust Restoration & Community-Driven Curation

- Implement platform-level curation and verification standards to differentiate legitimate creator projects from speculative collections.
- Introduce community governance models that empower creators to participate in platform policy decisions.
- Develop transparent, auditable smart contracts with enforceable secondary sale royalties to restore economic viability for creators.

End of Report